

Date: May 3, 2016

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

From: Regina Youngblood, Director of Human Resources
Sharon Williams, HR Manager Onboarding & Professional Development

Subject: Approval of Learning Management System to Support Training and Employee Development

Executive Summary

The City is committed to attracting, retaining and rewarding employee talent. Professional development is also an important strategic consideration because an investment in talent supports the creation of an Innovative and High Performing workforce; one of the strategic objectives of the City of Durham. To better support the professional development of our talent pool going forward, on March 29, 2016, the City of Durham issued and advertised a Request for Proposals (RFP) for interested firms to provide a scalable, cloud- based learning management system. The Learning Management System (LMS) will support enterprise-wide administration, documentation, tracking, reporting, authoring and delivery of training. It will also provide learners with access to instructor-led and online development options through a learner-focused self-service system that enables employees to search, enroll, request and launch any type of learning activity.

The overarching goal is to provide City of Durham employees with more qualitative development options as well as flexibility over time, place, path and pace in the delivery of just-in-time learning. Human Resources received a total of five qualified responses from out-of-state vendors. CornerstoneOnDemand was selected as the most desirable firm to award a contract for services. This agenda item recommends the execution of a contract with CornerstoneOnDemand, a talent management solutions provider, for a learning management system (LMS).

Recommendation

The Human Resources Department recommends that the City Council authorize the City Manager to execute a contract between the City of Durham and CornerstoneonDemand, Inc., for the purchase of a Cloud Based Learning Management System (LMS) in an amount not to exceed \$332,000.00 over a five (5) year period.

Background

The City of Durham has approximately 2,400 full-time employees working in 26 Departments in multiple locations. The largest Departments are Police, Fire, Water Management, Solid Waste, Public Works, Neighborhood Improvement Services, Parks & Recreation and General Services. These eight (8) Departments comprise approximately three-quarters of the employee population and positions vary widely from law enforcement and professional staff to maintenance, road crews and parks and recreation staff. And during the summer months, the employee population grows approximately 27.3% to accommodate seasonal workers.

Training enterprise-wide is primarily instructor-led and focused, almost exclusively, on compliance and/or technical requirements for specific roles. The organization also provides some leadership, management, employee engagement and business skills training. However, the City lacks consistent enterprise-wide training focused on integration of our values and the business soft skills that support the development and engagement of our human capital. The City is also in need of an improved way to support delivery and capture of information that ensures we are consistently OSHA compliant.

A learning management system (LMS) offers a way to manage all aspects of the development challenges we are facing from training availability and standardization to the need to appeal to a variety of learning styles and educational levels. An LMS will also support the administration, documentation, tracking, reporting, authoring and delivery of training, all of which are primarily being done manually, in some cases inconsistently and at substantial organizational costs.

Issues and Analysis

An LMS will allow us to strategically invest in the growth and development of our human capital, making development a possibility for all employees. It would also enable us to:

- ☐ Provide e-based training and testing for new hires, making them productive sooner
- ☐ Support on-demand and just-in-time blended learning options for all employees
- ☐ Provide a consistent platform for development and support for our managers and supervisors
- ☐ Prepare our current and future leaders to take on additional responsibility
- ☐ Move compliance training from class-room based to computer based and on demand
- ☐ Disseminate best practices and lessons learned enabling us to replicate top performance
- ☐ Increase understanding of City of Durham (and technical support function) policies/procedures
- ☐ Promote a common language enterprise-wide

Six proposals were received in response to the RFP. One company (ELogic, Tampa FL) was disqualified for failure to submit required EOEA documentation.

The Project Team evaluated proposals from the remaining five firms:

<u>Firm</u>	<u>Location</u>
CornerstoneOnDemand, Inc.	Santa Monica, CA
Meridian Knowledge Solutions, LLC	Herndon, VA
ShareKnowledge, Inc	Issaquah, WA
Target Solutions	San Diego, CA
UL EHS	Franklin, TN

The Project Team was made up of representatives from Human Resources, Risk Management, Technology Solutions, Fire and Water Management. Members reviewed and scored the proposals using the evaluation criteria included in the RFP, and met as a group to discuss their ratings. The evaluation criteria for all submitted proposals was scored on a 100 point basis in the following categories: Demonstrated understanding of purpose, scope, expected deliverables and the ability to meet them (25 points), Completeness of a step-by-step plan for implementation (20 points), Cost proposal (20 points), Technical support (15 points), Vendor experience and staff qualifications (10 points), References (10 points).

Evaluation scores were then averaged to produce a ranking of the proposals in the following point order:

CornerstoneOnDemand (94)
Meridian (83)
ShareKnowledge (74)
Target Solutions (60)
UL EHS (50).

CornerstoneOnDemand is a Software-as-a-Service (SaaS) provider. The corporation has existed for more than 15 years and has over 1,500 clients around the globe.

As a premier provider of scalable talent management solutions, CornerstoneonDemand's clients include many public sector entities including US Department of Treasury, Small Business Administration (SBA) and the Dept of Housing and Urban Development (HUD). Other public sector clients include:

- ☐ County of Mecklenburg, NC
- ☐ State of North Carolina
- ☐ District of Columbia Water & Sewer Authority
- ☐ Maricopa County
- ☐ County of San Mateo
- ☐ City of Atlanta

Alternatives

An alternative to contracting with CornerstoneOnDemand would be to have Human Resources staff develop and deliver additional training. This alternative would require the addition of more human resources staff, and a substantial outlay to develop the knowledge skills and abilities of existing staff, who are absent the necessary course design expertise.

Engagement of consultants to deliver training to City of Durham employees is another option. Because of the size of our organization and the desire of the City Manager to provide professional development options to all City of Durham employees, this option would cost significantly more than the proposed solution.

We could also opt to maintain status quo, ignoring the findings in the last City of Durham Employee Satisfaction Survey which showed that there is a desire for more professional development opportunities across all City of Durham Departments.

Financial Impact

The total financial impact will be \$332,000 over a five (5) year period (\$118,000 FY17, \$53,500 FY18, FY19, FY20, and FY21). This total includes licenses for 2200 full-time employees, 600 seasonal employees (from Parks and Recreation and OEWD), and the costs associated with implementation.

The CornerstoneOnDemand LMS will replace an LMS the City of Durham currently has through Target Solutions (which was paid for out of the Risk Fund budget in FY16). One-hundred thousand dollars (\$100,000) of the capital needed for purchase of the CornerstoneonDemand LMS in FY17 will come from the Risk Fund budget because the Target Solutions contract will not be renewed in FY17. The eighteen-thousand dollar (\$18,000) balance in FY 17 will come from the City of Durham New Initiatives General Fund for Onboarding and Professional Development; and the renewal fee of \$53,500 in FY18, FY19, FY20 and FY21 will come from the Risk Fund budget.

SDBE Summary

No SBDE goals were set. The Equal Opportunity/Equity Assurance Department reviewed the proposals submitted and determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Workforce statistics for Cornerstone Washington DC/Northern Virginia Office) are as follows:

Total Workforce	23	
Total Males	17	
Total Females	6	
Black Employees	4	17%
White Employees	17	74%
Hispanic Employees	1	4%
Asian or Pacific Islander	1	4%

